



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

FY-02-155

PSC OPENS CASE TO EXAMINE THE PURCHASED GAS ADJUSTMENT (PGA)

Jefferson City (March 29, 2002)---The Missouri Public Service Commission has opened a case which will examine issues related to natural gas companies and their purchased gas adjustment (PGA) clauses in Missouri.

On March 11, 2002, the Staff of the Missouri Public Service Commission filed a recommendation in another case before the Commission. In that filing, the PSC Staff recommended the Commission open a generic case to review the PGA clauses in the tariffs of local natural gas distribution companies in Missouri (such as AmerenUE, Laclede Gas Company and Missouri Gas Energy).

Staff stated in its recommendation that it has been five years since the Commission last reviewed the PGA process. Staff also indicated, and the Commission takes notice of the fact that, recently, several local distribution companies have requested changes to their PGA tariffs.

As part of the case, the PSC Staff has asked that a number of issues be examined including: 1) the number of PGA filings per year; 2) the number of unscheduled filings, if any; 3) determining the proper interest rate on the over- and under recovered balances; 4) the actual computation of the PGA; 5) price caps currently in the local distribution companies' PGA clauses; and 6) the scope and definition of costs to be included in the PGA and ACA (Actual Cost Adjustment).

Generally, it is through the PGA clause that local natural gas companies recoup their costs of natural gas that they purchase for their customers from wholesale suppliers.

A proposed hearing schedule is expected to be filed in mid-April.

---0---